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10 UNITED STATES BANKRUPTCY COURT
11 DISTRICT OF NEVADA

12 IN RE: Case No: 09-53610-gwz
13 PACIFIC PAWNBROKERS, INC. Chapter 11

14 STIPULATION FOR MODIFICATION OF
15 STAY, REJECTION OF NONRESIDENTIAL
16 LEASE, IMMEDIATE SURRENDER OF
17 LEASED PREMISES AND ALLOWANCE
18 OF POSTPETITION ADMINISTRATIVE
19 RENT CLAIM

20 (No Hearing Required)

21 Debtor.

22 _____ /
23 Pacific Pawnbrokers, Inc. ("Debtor"), Fess Investments ("Lessor") and Chapter 11
24 Trustee Marv Harris ("Chapter 11 Trustee"), by and through their respective undersigned
25 counsel, hereby stipulate and agree as follows:

26 1. The Debtor filed a petition for relief under Chapter 11 of the Bankruptcy Code,
Title 11, U.S. Code, on October 14, 2009 ("Petition Date"). The Debtor operated as a debtor and
debtor in possession until the Chapter 11 Trustee was appointed on or about January 26, 2011.

[Dkt. No. 62].

1 2. On or about November 11, 1996, Lessor and the Debtor entered into a *Lease*
2 *Agreement* ("Lease") pursuant to which the Debtor leased the property located at 280 South
3 Wells, Reno, Nevada ("Leased Premises") from Lessor for a five-year period which commenced
4 ninety (90) days from execution of the Lease and terminated on February 2, 2002, unless sooner
5 terminated or extended as provided therein.
6

7 3. In about December 2001, Lessor and the Debtor entered into an *Addendum to*
8 *Lease Agreement* (the "First Addendum") pursuant to which the term of the Lease was extended
9 for an additional five years, or to and including January 31, 2007.

10 4. On or about February 9, 2007, Lessor and the Debtor entered into a *Second*
11 *Addendum to Lease Agreement* (the "Second Addendum") which, among other things, extended
12 the term of the Lease for an additional three-year period commencing on February 1, 2007, and
13 terminating on January 31, 2010. The last monthly rental payment due under the Lease pursuant
14 to the Second Addendum was \$4,747.64.
15

16 5. The Lease was not assumed within one-hundred twenty days of the Petition Date,
17 *i.e.*, by February 11, 2010, no plan has been confirmed in the case and the one-hundred twenty
18 day period was not extended by motion or otherwise. *See* 11 U.S.C. § 365(d)(4)(A)-(B).
19 However, from and after February 1, 2010, the Debtor, and subsequently the Chapter 11 Trustee,
20 continued to use and occupy the Leased Premises pursuant to the holdover provision of Section
21 Twenty-Two of the Lease entitled "Holding Over" which states as follows:
22

23 If Lessee holds possession of the premises after the term of this lease, Lessee shall
24 become a tenant from month to month on the same terms as herein specified.
25 Lessee shall continue to be a month to month tenant until the tenancy shall be
26 terminated by Lessor, or until Lessee has given to Lessor a written notice of at
least one month prior to the date of termination of the monthly tenancy of his
intention to terminate the tenancy.

1 6. Although the Debtor abandoned the Leased Premises on or about December 1,
2 2010, from and after that date the Debtor, and subsequently the Chapter 11 Trustee, have
3 continued to use and occupy the Leased Premises for, among other things, storage of the
4 property identified on the list (the "Leased Premises Contents") attached hereto as Exhibit 1 and
5 by this reference incorporated herein. The Trustee has been advised by Lightning Auctions that
6 the Leased Premises Contents have an auction value of approximately \$4,500.

7
8 7. Neither the Debtor nor the Chapter 11 Trustee have paid Lessor rent for the
9 months of December 2010, January 2011, February 2011 and/or March 11, 2011.

10 8. The Lease shall be rejected and upon entry of an order approving this stipulation
11 the Chapter 11 Trustee shall surrender possession of the Leased Premises and the Leased
12 Premises Contents to Lessor.

13
14 9. Lessor shall have an allowed administrative post-petition rent claim in the amount
15 of \$5,000 which shall be paid at such time as other allowed administrative expenses are paid pro
16 rata. Lessor shall waive any claim for post-petition rent and other charges due under the Lease
17 for December 2010 up to and including the date an order approving this stipulation is entered in
18 excess of \$5,000. This shall not preclude Lessor from making any insurance claim for any
19 damage to the Leased Premises occurring during the term of the Lease, provided that any claim
20 is satisfied by insurance proceeds and not by the Debtor or the estate.

21
22 10. This stipulation and any order approving this stipulation shall be incorporated into
23 and become part of any plan of reorganization in the above-captioned case and shall remain in
24 effect upon conversion of this case to a case under any other chapter of the Bankruptcy Code.

25 ///

26 ///

1 11. The automatic stay of 11 U.S.C. § 362(a) shall be modified to allow the parties to
2 take any action necessary to implement this stipulation.

3 Dated: March 14, 2011

MAUPIN, COX & LEGOY

4 By /s/
5 Christopher D. Jaime, Esq.
6 Attorneys for Lessor

7 Dated: March 14, 2011

WHITE LAW CHARTERED

8 By /s/
9 John White, Esq.
10 Attorney for Unsecured Creditors
11 Committee

12 Dated: March 14, 2011

BELDING, HARRIS & PETRONI, LTD.

13 By /s/
14 Gloria Petroni, Esq.
15 Attorneys for Merv Harris
16 Ch. 11 Trustee

EXHIBIT 1

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Pacific

Pawnbrokers

Inventory

4 paintings w/ frames
 10 guitar cases
 costume jewelry - necklaces & earrings
 costume jewelry - 21 pieces necklaces, bracelets
 costume jewelry - 14 " "
 plastic carrying boxes
 Nontak chün partial set - 8 cups, 8 plates,
 serving plates
 costume jewelry charms
 candle holder -
 mix. silver spoons, forks -
 golf bag
 drum set
 amplifiers
 small dorm type fridge
 1 bongo drum
 2 small chain saws
 10 bicycles
 3 pumps
 kayak - inflatable
 misc watch band
 costume jewelry charm
 costume jewelry bracelet
 fake watches
 costume jewelry necklace
 necklaces

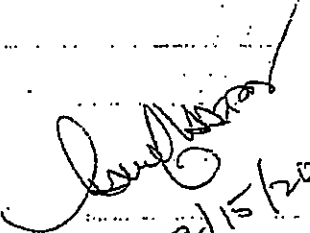
7/15/2011
 Josef K.

costume jewelry
outboard motor
misc golf club - old
paint sprayer - old
misc saw gig
misc tools
misc ski poles -
ancient computer
boom boxes - old miss
plastic - fake leather wats
misc merchandise old -
2 pair skis
1 fishing poles -
misc old ski equip - 5 pairs
2 wood work tables old -
misc tools
videos + video game controllers
2 saw blades
misc tools
old cowboy hat
2 old clocks -
misc tools
small elec guitar -
misc old pictures - prints
misc camera equip + lenses
video gear
motorcycle helmet

James M. [Signature]
2/15/2011

JCF

5 Guitars	#1	2 Keyboards
36 Knives		1 Violin mic. stands
13 Toy Trucks		
14 Knives	#2	
18 Plates		
16 Silver items	#3	
10 Bikes		
Newelcap	#4-1, 2, 3	
7 Plates		
Chips + Cards		
10 plates		
6 plates + vase	#5-1, 2, 3, 4, 5	
8 " + trinket		
9 "		
6 " + 2 heart shapes		
6 "		
Cleaner + Polish	#6	
Glass repair kits		
Misc. Frames, watches	#7	
Brass - Toys		
Misc. Packs on cart	#8	


 2/15/2011

2 more small dorm type fridge

plastic cart

desk

2 tables

4 shelf rack -

bars

plastic cart

2 old snow board

old computer

misc. costume jewelry

misc. old phones -

misc. plates

old skill saw

drill

3 leather jackets

Shell belt for gun -

Shipping materials:

empty boxes

plastic crates -

few

old sewing machine stand

2 tables

James Jones
2/15/2011